



SB 623 Update

Low-Income Oversight Board



Water Division

December 6, 2017





Senate Bill 623

Water Quality: Safe and Affordable Drinking Water Fund

- Senator Bill Monning
- Legislative Findings and Declarations
 - Operation and maintenance costs may be significant
 - Most state and federal funding sources prohibit funding for O&M costs
 - Many public water systems unable to charge affordable and sufficient rates to recover full O&M costs
 - Due to combination of low-income customers, high treatment costs, lack of economies of scale, and lack of technical, managerial, and financial capacity
 - Small disadvantaged communities may be exposed to unsafe drinking water
 - Important to identify areas lacking reliable access to drinking water



Establish fund with stable revenue source to ensure long-term sustainability of drinking water service and infrastructure





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Revenue Source

- **Drinking Water Fee**
 - \$0.95 to \$10 per month based on meter size
 - On all water bills until July 1, 2020
 - Exemptions: Low-income, recycled water, fire service
 - Beginning July 1, 2020, fee amount reestablished annually
 - Collected by public water systems remitted to SWRCB
- **Other Fees**
 - Collected by Secretary of Food and Agriculture
 - Sales fee on Fertilizer
 - \$0.005 per dollar of sales (until Jan 1, 2033)
 - Reduced to \$0.002 starting Jan 1, 2033
 - Sales fee on Dairy
 - \$0.01355 per hundredweight of milk (Jan 1, 2020 – Jan 1, 2035)
 - Reduced to \$0.00678 starting Jan 1, 2035



Generate about \$140M annually





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Administered by SWRCB

- Prioritize funding for
 - Disadvantaged and low-income communities
 - Maintain list of troubled and at-risk systems
 - Individual domestic well users
 - Consolidations, service extensions, and administrative and managerial contracts
- Mapping of aquifers that are high risk for containing contaminants
 - Available to the public
- Report on fund expenditures annually
 - Estimate funding needed next year





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Agricultural Operations

- Limits water quality enforcement by SWRCB or regional board [Chapter 5 of Division 7 of the Water Code (Section 13300)]
 - For nitrate contamination in groundwater
 - Must satisfy following conditions:
 - Paid Fertilizer and Dairy Fees
 - Implement best practices for groundwater quality
 - Waste discharge requirements
 - Remain effective until Jan 1, 2028
 - SWRCB will review implementation programs to evaluate progress of water quality by Jan 1, 2027





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Legislature Status

- **Two Thirds Vote Required**
- Support
 - Union of Farm Workers of America (UFW)
 - Western Growers Association (WGA)
 - California Water Service
 - Several Community Organizations
- Neutral
 - California Water Association (CWA)
- Non-Support
 - Association of California Water Agencies (ACWA)
 - Several Environmental Organizations

